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NATIONAL INTELLIGENCE DAILY CABLE

Monday June 6, 1977

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NATIONAL SECURITY INFORMATION

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National Intelligence Daily Cable for Monday, 6 June 1977

The NID Cable is for the purpose of informing senior US officials.

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SEYCHELLES: Mancham Overthrown

The Seychelles capital is calm following the overthrow yesterday of the moderate, pro-Western Mancham government. The coup was carried out by radical members of the prime minister's leftist party--Mancham's coalition partner--who seized police stations and other important installations while Mancham was out of the country. The prime minister, France Albert Rene, has agreed to form a new government and is now calling himself president. He has assured the US charge that the US air force tracking station near the capital will be allowed to continue operating.

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A curfew is in effect, and road blocks have been set up. Several British officials serving as advisers to the Mancham government have been detained and are to be expelled.

There have been no reports of US citizens being detained or otherwise directly affected by the coup. There are some 200 US citizens in the country, about 150 of whom are associated with the tracking station. Rene has canceled visits by a US naval ship and a naval aircraft scheduled for this week.

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25X1 [] Rene himself has long been a leader of the country's radical movement, but since independence a year ago he appears to have de-emphasized politics in favor of stability and national development. []

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25X1 [] In the coalition, Rene's party had been relatively quiet on the issue of the tracking station, perhaps partly in recognition of the economic benefit the US presence brings to the hard-pressed economy. The party has had a proclivity for violence and espousing third-world issues, however, such as opposition to the US presence in the Indian Ocean area. With foreign policy no longer under Mancham's control, the party may give free rein to its radical beliefs. It could find a receptive audience in the considerable number of disadvantaged islanders who were largely ignored by the Mancham government. []

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MOROCCO: Zaire Intervention Impact

25X1 [] *Morocco's successful intervention in Zaire will temporarily enhance King Hassan's prestige at home. It may also help solidify diplomatic support from African moderates for Morocco in its continuing dispute with Algeria over Western Sahara.*

25X1 [] The Moroccan success in pushing back the Katangan exiles who invaded Zaire's Shaba Region will appeal to many Moroccans, who traditionally regard themselves as warriors. The triumphant return by mid-June of the Moroccan expeditionary force will also provide a badly needed boost for the Moroccan military, which has had chronic morale problems because of the continuing guerrilla war in Western Sahara.

25X1 [] Hassan's decision to intervene in Zaire, however, was not strongly supported by a minority of informed Moroccans. In addition, the opposition political parties were initially stunned by the King's decision, which was made in isolation and

complete secrecy. The subsequent lack of editorial comment in party newspapers has indicated continuing doubts among informed Moroccans about the wisdom of such a venture. These politically aware Moroccans are probably more relieved than jubilant over the successful outcome.

25X1 [] African reactions to Morocco's intervention have been mixed, with both moderates and radicals generally taking previously determined ideological positions. Hassan probably anticipates his support of Zaire may widen the moderate-versus-radical split within the Organization of African Unity. He has shown increasing disdain for the OAU since it distributed a report last February charging Morocco and Gabon with complicity in the abortive coup attempt in Benin in January.

25X1 [] Hassan hopes his solidarity with Zaire will elicit from other African moderates stronger support for his position in the Western Sahara dispute. He may also hope the Moroccan success in Zaire will encourage the moderate Africans in the OAU to play a more active role in countering radical and Soviet influence in Africa. []

CHINA: Ambassador to the USSR

25X1 []//The Soviets have agreed to China's nomination of Wang Yu-ping to fill the post, vacant for over a year, of ambassador to the USSR. Wang is one of China's most experienced diplomats, but unlike his predecessor, he is not a member of the current Central Committee of the Chinese Communist Party.

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ITALY: Political Negotiations

25X1 [] *The Italian Communist Party has been pressing for a more direct role in national policy-making as the price of its continued cooperation with the Andreotti government, whose survival depends on Communist abstention in parliament. Largely in response to Communist pressure, Andreotti's Christian Democrats have been holding talks for more than a month with the Communists and, separately, with the other abstaining parties in an effort to secure agreement on several major government*

programs. These negotiations will enter a critical phase this week, as the parties begin roundtable meetings aimed at nailing down an accord.

25X1 [] Although six parties have been involved in the negotiations, the bargaining has been driven mainly by the competing political aims of the Christian Democrats and Communists. The Christian Democrats want to keep Andreotti's minority government in office because they have made no progress over the last year toward convincing their former governing partners to join them in a new alliance and because they believe the time is not ripe for the election that would almost certainly follow Andreotti's collapse. But the Christian Democrats, with an eye to their conservative electorate, want to hold any concessions to the Communists to the unavoidable minimum.

25X1 [] Communist chief Berlinguer also wants to avoid a government crisis and an election, but he needs some evidence of progress toward a governing role to allay the misgivings of the Communist rank and file over his policy of cooperation with the Christian Democrats.

25X1 [] Both sides have given ground during the talks. Berlinguer has backed down from his initial demand for a "comprehensive accord" on political and economic matters that would, in effect, obliterate the distinction between those parties in the government and those outside. Convinced that pressing the Christian Democrats too hard would lead to a break in the talks, Berlinguer now seems prepared to accept a limited agreement on certain economic and social measures to be taken by the government during the next few months.

25X1 [] Communist leaders are emphasizing that such an agreement would be politically significant in itself, given the past refusal of the Christian Democrats to negotiate formally with the Communists. Berlinguer is concerned, however, that many in the party will not view such an accord as sufficient to justify continued cooperation with Andreotti.

25X1 [] The Christian Democrats' chief political concession to the Communists so far was their decision last week to negotiate with the abstaining parties collectively, rather than

one at a time, during the final phase of the talks. While seemingly a minor distinction, the Christian Democrats have for months resisted Communist demands for such a procedure because of the powerful symbolism inherent in roundtable meetings of the six parties.

Such meetings will evoke memories of the broadly based postwar emergency governments, in which the Communists participated and which Berlinguer would like to revive eventually as the approach for the party's return to government. Berlinguer will doubtless point to these meetings to underline his party's growing involvement in the governing process.

Political considerations appear to have hindered the parties' initial effort to agree on specific proposals for dealing with Italy's worst problems, judging from the vague and general tone of the document circulated by the Christian Democrats last week, which purports to be a status report on the negotiations.

The document deals with four major areas--public order, economic policy, local government, and health and education reforms--but in most cases does not go much beyond a statement of goals, particularly on such politically sensitive issues as wage restraint. The parties appear closest to agreement on tougher law and order measures.

If the parties fail to go beyond the generalities of the Christian Democratic document, it will be a signal that they have decided merely to paper over differences in order to keep Andreotti in office through the summer. In that event, another political showdown, with the attendant risk of a government crisis, would be likely in the fall.

TUNISIA-LIBYA: Shelf Dispute

Tunisia is taking a more conciliatory approach in its dispute with Libya over the continental shelf in the Gulf of Gabes. The Tunisians presumably hope that this tack will encourage Libya to suspend its planned drilling operations in the contested zone and create a more favorable climate for

negotiations. A US-owned drilling ship under contract to the Libyan national oil company has been in the disputed waters for more than a week.

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[] Libyan President Qadhafi in a speech last Thursday promised not to use force against an Arab neighbor and expressed an interest in negotiating the shelf dispute. In contrast to his previous tough posturing, Tunisian President Bourguiba met with the Libyan high commissioner on Saturday to reiterate his willingness to resolve the dispute peacefully.

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[] According to a Tunisian radio broadcast, Bourguiba told the Libyan diplomat that Qadhafi's speech was a positive gesture and that Tunisia would reciprocate. The Libyan subsequently characterized his session with Bourguiba as positive and constructive.

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[] The Tunisians are portraying Qadhafi's speech in the most favorable light and may be unduly optimistic. They chose to ignore the portion of the speech in which Qadhafi said the dispute could also be resolved if Tunisia simply merged with Libya. Relations between the two countries have been strained ever since Tunisia refused to implement a union agreement in 1974.

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[] Prior to any negotiations, the Tunisians will want the US drilling ship to leave the contested zone. Libya, however, has been insisting that the drilling operation proceed regardless of negotiations. []

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EGYPT-LIBYA: Proposed Meeting

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[] *Egypt and Libya have agreed in principle to hold high-level talks in Cairo, probably next Sunday, to discuss their strained relations, according to press reports from Cairo. Even if discussions are held, the two countries are unlikely to make substantial progress toward resolving their deep-seated differences.*

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[] A Libyan emissary, after meeting with President Sadat on Saturday, announced the agreement to the Egyptian press. He

said Egyptian Prime Minister Salim would meet with his Libyan counterpart, Abd al-Ubaydi, in Cairo. Libya reportedly suspended its propaganda attacks against Egypt on Saturday.

[] Sadat probably consented to the meeting primarily to mollify other Arab states, such as Saudi Arabia, which would like to see the dispute settled. He has no illusions, however, that such an effort will significantly improve his relations with Libyan President Qadhafi--whom he continues to regard as dangerous and unpredictable. Sadat would not trust the Libyan leader to live up to an agreement, even if one were reached.

[] The USSR will welcome even this modest development, as a lessening of tensions between Egypt and Libya is in Moscow's interest. []

SAUDI ARABIA: Fires Reported

[] A preliminary report from the US consulate in Dhahram has confirmed a fire on Saturday in the Ghawar field near Abqaiq, where a fire broke out on May 11. It also has been reported that a pipeline near Shedgum has ruptured, presumably as a result of the latest fire, and a fire broke out there as well.

[] The fire apparently started when a pickup truck drove into the area and exhaust fumes from the vehicle ignited gases. There is no information on the extent of the fire or damage, although some 20 people reportedly have been injured by the fire, including at least two seriously. There are no reports that US citizens were among the injured.

[] The areas where the fires have been reported are in the Ghawar field, some 80 kilometers south of Dhahran. The remoteness of the area will delay accurate damage reports. []

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